

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-232-W - ORDER NO. 97-874
OCTOBER 14, 1997

JMR

IN RE: Concerned Citizens Against)	FURTHER ORDER
Carolina Water, Inc.,)	ON FORFEITURE
)	
Complainant,)	
)	
vs.)	
)	
Carolina Water Service, Inc.,)	
)	
Respondent.)	
)	
)	

This matter comes before the Public Service Commission of South Carolina pursuant to further discussion of relief ordered against Carolina Water Service, Inc. (CWS or the Company) in our Order No. 97-38. In that Order, we required forfeiture of the Company's \$50,000 performance bond, pursuant to S.C. Code Ann. Section 58-5-720 (Supp. 1996), and the use of the funds obtained from that forfeiture to obtain a management audit of the Company. (Both rehearing and reconsideration of this relief requested by CWS were denied in our Order 97-192.) Order No. 97-38 stated that, if the cost of the management audit exceeded the amount of the water bond on file, then this Commission would determine if the additional cost should be borne by the Company or by the Commission.

It appears that Staff put the management audit out for bid, and that the management audit envisioned by us will cost an amount in excess of the \$50,000 on hand in the form of the performance bond. Accordingly, the matter is back before us for discussion.

We have considered this matter and believe that the Company should pay for the management audit. In Order No. 97-38, we held that the performance bond of CWS was confiscated, pursuant to S.C. Code Ann. Section 58-5-720. We reiterate this confiscation, and hold that, once this confiscation has been completed, CWS shall file a replacement performance bond in the amount of \$50,000.


CWS is ordered to contract for an outside management audit performed at its own expense to determine the prudence of any and all costs from Utilities, Inc. and Water Services, Inc. which are allocated to the South Carolina operations of Carolina Water Service, Inc. We think this funding is appropriate, considering our finding of willful failure to provide sufficient and adequate service without just cause and/or excuse, in our Order No. 97-38. We do hold that the Company may offset the cost of the audit by the amount of the confiscated \$50,000 bond, which we still believe should be used to aid in funding the management audit.

We are cognizant that this matter is on appeal to the Circuit Court. However, no stay has been obtained by CWS. Commission Regulation 103-883(B) states that, unless otherwise provided by law, an appeal from an Order of the Commission shall not of itself stay or suspend operation of the Order of the Commission. Accordingly, we hold that CWS shall proceed with obtaining the

management audit as ordered above.


This Order shall remain in full force and effect until
further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Deputy Executive Director
(SEAL)